

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

TUESDAY, JUNE 28, 2016

DRAFT SPECIAL MEETING MINUTES

A special meeting of the Economic Development Advisory Committee was held at the office of the Department of Planning and Development, 444 Westminster Street, Providence, Rhode Island, in the 1st Floor Conference Room on June 28, 2016. The Economic Development Advisory Committee meeting was called to order at 12:10 P.M, with Mayor Jorge O. Elorza presiding. Roll call of the members and legal counsel was conducted. A quorum was present.

MEMBERS IN ATTENDANCE

Members in attendance included Mayor Jorge O. Elorza, Chairman; Brett Smiley, Chief Operating Officer, City of Providence, Adriana Dawson (Vice-Chair), Kas DeCarvalho, Esq. (Treasurer), Daniel Baudouin, Stephen DelSesto, Esq., Mark Feinstein, Amahl Harik, Councilwoman Sabina Matos, and Dr. Russell Ricci and William Tracey.

MEMBERS ABSENT

Members not in attendance were Juana Horton (Secretary), John (Jack) Bentz, Allyson Cote, Sussy DeLeon, and Shomari Husband.

STAFF MEMBERS IN ATTENDANCE

Staff members in attendance included Donald Gralnek, Executive Director, Providence Business Loan Fund, Inc. (PBLF); Kathy Cosentino and Gail McGowan.

OTHERS IN ATTENDANCE

Others in attendance were Samuel A. Budway, Esq., Senior Assistant City Solicitor, City of Providence Law Department and Economic Development Advisory Committee legal counsel; Luis A. Aponte, Council President; Michaela Antunes, City of Providence City Council Administration, Mark Huang, Director of Economic Development, City of Providence; Emmanuel Echevarria, City of Providence Department of Innovation; Jeffrey Lykins, Director, City of Providence Department of Inspection and Standards; Thomas Hoagland, Director and PBLF contract underwriter; Barry Sullivan, City of Providence Department of Planning and Development; Mike Ritz and Marcus Jannitto, Leadership Rhode Island; and Mark Johnson, City of Providence IT Department.

Mayor Elorza thanked everyone for being here and for their service to the city in this capacity.

MEETING MINUTES

The minutes of the April 21, 2016 Economic Development Advisory Committee special meeting and the minutes of the May 18, 2016 Economic Development Advisory Committee meeting were submitted for review and approval. A motion was made by Kas DeCarvalho and seconded by Stephen DelSesto, Esq. to approve the minutes of the May 18, 2016 Economic Development Advisory Committee special meeting. Motion passed by unanimous vote. The motion was then restated to approve both the minutes of the May 18, 2016 special meeting and the April 21, 2016 meeting of the Economic Development Advisory Committee. The restated motion also passed by unanimous vote. The minutes of both meetings were approved.

REPORT OF THE CHAIRMAN

Mayor Elorza stated that the last time he was here, he spoke of the three (3) different areas around economic development. The first area was real estate development. There are a number of really exciting and important projects going on throughout the city and more in the pipeline. In fact, we are seeing more investment in construction dollars during this season than we have seen in the past two to three in the city, which is really positive.

The second area was economic development. With economic development, we have the charge of continuing to move forward and build the economy of the future. Mark Huang, Director of Economic Development, has been focusing on the areas that are already our strategic strengths. There is exciting work that he is doing around aging. There is also a summit that we are having with some investors and business leaders from Guatemala that we are having this coming fall, in mid-October, and all are welcome to participate.

We are also looking at work around our port. Mayor Elorza noted that Council President Luis Aponte is here at the meeting. We have advocated for and are looking at a bond referendum of \$20 million to invest in the port in Providence, in conjunction with the state and an investment that they will be making with our statewide port system.

We are looking at strategizing and supporting the strong design field that we have. The city supported last year the design catalyst program. Some of you were in attendance at the recent reception at Social Enterprise Greenhouse that put on display the work that has been done with many of those investments.

The last area, which is very strong, is of course in food. There is a lot of work that we are doing in that area as well.

The third area is workforce development. There has been a restructure of workforce development that is going well. It has been combined along with community development to create the Director of Economic Opportunity for the city, which is someone to look holistically at the opportunities our residents have to join the workforce. We are working very proactively along with the employers of the city to see what specific skills they need. We are looking for new partnerships. Within the partnerships, we are teaming up with Year Up, CCRI and the School Department. We are looking to be much more aggressive in reaching out into the community instead of waiting for them to come to us for workforce development services. We need to be much more proactive about communicating the services we have and being that bridge to the community.

That in a nutshell is what we are doing. We are continuing to provide services to small businesses and the budget that we just passed has additional investment at the small business and neighborhood level and stay tuned for that. We are heading in the right direction and are seeing the momentum.

Mayor Elorza appreciates all you continue to do to move our economy and development priorities forward and looks forward to today's conversation as well. Mayor Elorza concluded his report and opened up the meeting to brief questions. There were none. Mayor Elorza stated we would then move on to agenda item #4.

REPORT OF THE EXECUTIVE DIRECTOR

Donald Gralnek stated that the next meeting of this group is on September 21, 2016, to mark that on your calendars.

As Mayor Elorza indicated, the purpose of this advisory committee is to provide input from the collective viewpoints of the members to the mayor and council. Today we have two separate items that we are discussing today. We have a report from Dr. Ricci, who put considerable time and effort into addressing the question of how we can better train our future folks to hit the ground running in terms of the very significant challenges and opportunities the city faces. We also have a report from Emmanuel Echevarria with respect to work previously done with the Department of Inspection and Standards, from the ground up and the top down looking at how we can better organize and train ourselves to be more effective.

NEW BUSINESS

The first matter of New Business entertained by the Economic Development Advisory Committee was the presentation by Dr. Russell Ricci regarding an executive education and training program (institute) for newly elected and appointed public officials in the city. Dr. Russell Ricci began his presentation by stating that he thinks that this is all about jobs. As people in government change, they will be asked to make many tough decisions. As part-time members of boards and commissions, they may be asked to make decisions regarding issues that are not their primary focus.

Councilwoman Matos then questioned if she could provide a brief background regarding how we got here. We had discussed the issue of term limits, the high number of new council members we are about to have as a result of term limits (13 of 15), and the issue that the city will face with the loss of that institutional knowledge, which is why we are here.

Dr. Ricci continued that his research is to put an executive education plan in place. His initial thought was to start with the council members, but has been advised to start with boards and commissions first to try the hypothesis. At the same time, be talking about phase 2. The idea is to bring the content back and the question is how we recapture the talent and the wisdom that we lose in the change in the boards and commissions. To get the project plan off the ground, we need the support of the council and the support of the mayor's office. When it comes to the implementation of it, teaching the process, Dr. Ricci suggests that we use an outside third party to do the teaching. Dr. Ricci thinks that the reality of term limits is frightening and the question is how do you deal with term limits. We would do a needs assessment. His suggestion is to use Leadership RI and Mike Ritz, who is present today, who Dr. Ricci thinks has done a tremendous job.

Mike Ritz, Executive Director of Leadership RI then addressed the committee. Leadership Rhode Island was started in 1981 and is really just conveners and have been for a long time. Leadership Rhode Island brings together emerging and established leaders from different sectors, industries and zip codes in the state, and puts them together in a classroom experience and puts the issues and topics of the day in from of them, which is essentially what they do. Leadership Rhode Island has 2,000 alumni across the state. Leadership Rhode Island does not typically do the teaching. They are good conveners and best practices researchers. Other people are better at teaching. Mr. Ritz would use retired Brigadier General Marcus Jannitto, who is also present today. Mr. Jannitto has agreed to do the first phase, which would be the research, best practices, trying to find out what is important, finalizing the project plan and a budget plan. Phase 2 would be the implementation with city leadership. For phase 1, Dr. Ricci is looking for a timeframe of July 2016 through December 2016. Mr. Ritz then provided the committee with the professional background of Marcus Jannitto, who is willing to take this project on.

Dr. Ricci continued by stating that he thinks that we have an incredible opportunity here for people to share their expertise and wisdom. Mayor Elorza questioned Dr. Ricci as to whether a specific motion is needed today and where to begin and whether he had a specific board in mind. Dr. Ricci responded that we are not a formal organization and that the committee will make a recommendation to the mayor and pick a manager, who he is recommending Leadership Rhode Island, but could be something else. Mayor Elorza questioned whether this is coming before this advisory council because it relates or because Dr. Ricci happens to be on it. Dr. Ricci responded that it has to do with jobs. Mayor Elorza asked that Dr. Ricci create that link. Dr. Ricci indicated that we would start with boards and commissions and that he was advised by people in the room not to start with elected officials and the council. Mayor Elorza questioned which ones he would start with. Dr. Ricci responded that we would start with the tough ones – licensure, zoning and planning.

Councilwoman Matos noted that when she got involved, it was to take a role in leadership and education. She sees it as a role of this board and that we could make it happen. Councilwoman Matos sees a link to this committee. It was questioned how many appointed and elected officials there are in the city. Mayor Elorza responded that there is approximately 200 appointed and 15 plus 1 elected.

Councilwoman Matos spoke of the discussion that took place at the last meeting regarding the experience developers have with the city. Councilwoman Matos also noted that there is a short period between officials being elected and sworn in during which you can tell them to go for training. Councilwoman Matos also suggested that we could have elected officials do the training and not an outside person.

Mayor Elorza thanked Dr. Ricci for his work. Mayor Elorza noted that there is one stumbling block or area that we have to address, which is that it comes out of this committee and is so important to make sure that we have the proper training around economic development, but that there is no need to limit it to just economic development. We may need to do an assessment of our boards and commissions throughout the city to see what specific skills are missing or can be enhanced and the approach we take for each board and commission may be very different by necessity. Mayor Elorza is sure we can figure that out as we go. It is a compelling case to make that folks making the decisions should be equipped with the training, knowledge and know-how to support their decisions. Mayor Elorza stated that the next step would be for the mayor's team and the council's team to get together to figure out what the next steps would be and what the best way to do this is. Dr. Ricci re-iterated that the successful programs have outside third parties and not in-house trainers. Some of the members commented relative to the idea of executive training.

Dr. Ricci stated that what he is looking for today is Mayor Elorza's agreement as Chair and if a good idea and a home for it, a person to negotiate with Leadership Rhode Island on the mayor's behalf. Mayor Elorza responded that he will huddle with the city council and they will add some flesh to the bones and add some more specifics and report back on the progress they make. Mayor Elorza asked if there was any further discussion; there was none. Mayor Elorza indicated that we would move on to agenda item #5.b.

At 12:45 P.M. Mayor Elorza left the meeting.

The next matter of New Business entertained by the Economic Development Advisory Committee was the presentation by Emmanuel Echevarria, Innovation Project Manager, on behalf of Nicole Pollock, Chief Policy and Innovation Office, Office of Mayor Jorge O. Elorza, relative to his work with the Department of Inspections and Standards (DIS) and achieving efficiency through innovation.

Prior to the presentation of Mr. Echevarria commencing, Mark Huang, Director of Economic Development addressed the committee. Mr. Huang stated that there was a discussion regarding process and that grow smart training and the directors can help with how your job fits into a larger process and cycle time. If a company wants to come into Providence, how does what you do effect the whole process.

Mr. Gralnek stated that Mr. Huang is correct. What we are trying to do is organize ourselves to make process more inclusive as possible so that we do not live in silos and we look at this as a whole and that people in decision making roles have some understanding as to why we are going through the process that we are so that we do not reinvent the wheel each time a project comes before a decision making body. What we are trying to do is make the city more efficient so as to better present itself to competitive forces and to land companies that are creating jobs. It is ultimately about making the city's

economic base stronger and creating more jobs.

Mr. Echevarria, Acting Deputy Director, then commenced his presentation and began by distributing a handout to the committee. A PowerPoint presentation was provided to the committee. Projects for which overviews were provided were ExcelPVD, EngagePVD, ServePVD, and InnovatePVD.

At 12:54 P.M. Adriana Dawson left the meeting.

Brett Smiley noted that time was tight and that the focus of this board was Inspection and Standards, more specifically permitting, and requested that we accelerate to that portion of the presentation.

With regard to the Department of Inspection of Standards (DIS), a process map was completed of the entire plan review process fruit to nuts. What was discovered was that ninety percent (90%) of the review applications were missing key items and that the application process was faulty. One thing that was done to fix this that Jeff Lykins, Director of DIS, implemented was a pre-plan review process to ensure that everything for timely processing is included and collected. The goal here is to reduce the number of incomplete or faulty applications from ninety percent (90%) incomplete to zero. It has trickled down closer to the half-way point. We are also redesigning the back-end processes for more consistent practices and plan review process. Having staff use a consistent format for review plans, a consistent process has really been helpful. They are redeveloping and redeploying a permitting guide for ease of use in the future. They are working to improve coordination with DIS and the Fire Department for the plan review process. There was some inconsistency regarding staffing certain functions. The scheduling issues have been mitigated.

Jeffrey Lykins, Director of the Department of Inspections and Standards, was present and addressed the committee regarding these issues and the time for reviews. It was questioned whether the changes that he devised were budgetary or internally and staffing. Mr. Lykins responded that they were staffing changes, which has resulted in incredible time savings. It was also questioned whether there has been benchmarking in other peer cities and whether we know what is good.

Mr. Huang added that what we have not done is mapped the process soup to nuts. Businesses or developers cannot plan for it. The cycle time was questioned as how it compares to that of Boston. It was noted that it is fantastic that they are doing Lean to get the timeframe as efficient as possible. Time is money but the time element is just the first half. The other half developers are looking for regardless of time is predictability. Predictability is huge and can plan for it. If you are at the process for six (6) months and get denied, it is a deal stopper. Mr. Echevarria noted that they prioritized the focus based upon customer feedback. Mr. Huang added that Boston is on fire and that Boston is not coming here. Mr. Huang suggested that it would be helpful if we could map out the entire process. Mr. Huang also noted that the state has money regarding Lean Trainings and perhaps we could get them to map the entire process.

Mr. Smiley responded that he hears Mark's request. Mr. Smiley noted that the members have valued experience to share. Mr. Smiley asks the members to share their thoughts and experiences with Mr. Echevarria to give more color from their perspective. This is a diverse group with relevant direct experience. At the end, we will be able to set some benchmarks and standards. We, meaning city employees, forget that customers perceive that the city is difficult to work with, but it is actually five (5) different departments and four (4) of which we do not have any say over, but it is still said of the city and we get tagged with it en masse. It is how the two truths exist. Developers work with other departments such as NBC, Providence Water, DIS, Fire, DEM, and CRMC. There are many pieces of involved, many of which we do not have any say over. This gives validity to Mr. Huang's request to

map it from the customer's perspective from start to finish regardless of how much of it is within the walls of this building or city hall.

In terms of next steps, Mr. Smiley asked the members to take a few minutes to share feedback with Emmanuel Echevarria in whatever way is less onerous to them. We will respect anonymity as well. Mr. Smiley also stated that Mr. Huang and he will continue to pursue additional process improvement resources from the state.

At 1:20 P.M. Councilwoman Sabina Matos left the meeting.

Mr. Echevarria concluded his presentation and thanked the board. Mr. Smiley requested that Kathy Cosentino send out Mr. Echevarria's e-mail address to the committee.

Mr. Gralnek asked that Mr. Echevarria and Mr. Lykins come back to the September meeting regarding the feedback and Fire Department issues. Mr. Gralnek thanked Mr. Echevarria for his presentation and for attending.

Mr. Gralnek wished the committee a nice summer.

A motion to adjourn was made by Stephen DelSesto, Esq. and seconded by Kas DeCarvalho, Esq. and the meeting was adjourned at 1:22 P.M.